

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Periodic Reporting
(Proposal Two)

Docket No. RM2020-7

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued April 14, 2020)

To further assist the Commission in its evaluation of the Postal Service's proposed changes to analytical principles relating to periodic reports,¹ the Postal Service is requested to provide written responses to the following questions. The responses should be provided as soon as possible, but no later than April 21, 2020.

1. The Postal Service states that review of unit delivery costs by rate category at a detailed level shows "large differences between the street time unit delivery costs for flats in [Flats Sequencing System (FSS)] and non-FSS zones." Petition, Proposal Two at 1. Please explain how FSS and non-FSS zones are identified and provide the reference to the detailed methodology description.
2. Library Reference USPS-RM2020-7-1, April 7, 2020, folder "Calculating Updated Variabilities" contains SAS program file "Calculate Variabilities With New Volume Proportions.sas" that reads data from a dataset file not provided in any of the library references in the current docket. Please confirm that the input dataset for SAS program "Calculate Variabilities With New Volume Proportions.sas" is the same as the dataset in file "doiscv.sas7bdat" previously provided in Docket No. RM2015-7, Library Reference USPS-RM2015-7/1, December 11, 2014, folders "Regular_Delivery_Equation" and "SAS_Data_Sets." If not confirmed, please

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Two), April 7, 2020 (Petition).

provide the dataset file used as the input for SAS program file “Calculate Variabilities With New Volume Proportions.sas” and explain how this dataset was created.

3. The Postal Service states that the “impetus for [Proposal Two] was the fact [that] the unit city carrier street time flats costs were greatly different for FSS flats and cased flats.” Petition, Proposal Two at 6. The Postal Service then compares these costs “for FY 2019 using the old variabilities and the new variabilities.” *Id.* at 6-7. Please confirm that mail volumes for four categories of non-FSS flats—Periodical Flats, Bound Printed Matter Flats, USPS Marketing Mail Flats, and Carrier Route Flats—are considered cased mail. If not confirmed, please explain if any volumes of these non-FSS flats are considered sequenced mail and provide the percentage distribution between cased mail and sequenced mail for each of the four categories of non-FSS flats.
4. The Postal Service states that “63 percent of High Density and Saturation Flats are sequenced and another 4.8 percent are sorted on the FSS.” *Id.* at 9.
 - a. Please confirm that the remaining 32.2 percent of High Density and Saturation Flats are cased mail.
 - b. If confirmed, please explain what determines the split of non-FSS High Density and Saturation Flats volumes between cased and sequenced mail.
 - c. If not confirmed, please clarify the status of the remaining 32.2 percent of non-FSS High Density and Saturation Flats volumes.

By the Chairman.

Robert G. Taub